

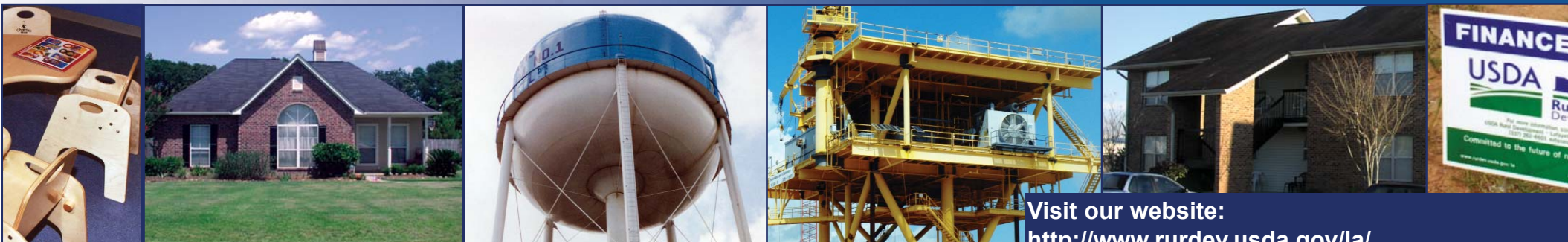
USDA Rural Development

# Disaster Recovery Guide for People and Communities



Committed to the future of rural communities.

## Housing Business Community



Visit our website:  
<http://www.rurdev.usda.gov/la/>

# USDA Rural Development—Hurricane Katrina Disaster Recovery

## Housing

**Hurricane Katrina made landfall in Louisiana on August 29, 2005, as a Category 4 hurricane with winds of 150 miles per hour—leaving a path of destruction throughout southeastern Louisiana.**

On August 29, 2005, President Bush declared a major disaster in the State of Louisiana and ordered federal aid to supplement state and local recovery efforts. The President's action made federal funding available to affected individuals in the parishes of Acadia, Ascension, Assumption, Calcasieu, Cameron, East Baton Rouge, East Feliciana, Iberia, Iberville, Jefferson, Jefferson Davis, Lafayette, Lafourche, Livingston, Orleans, Plaquemines, Pointe Coupee, St. Bernard, St. Charles, St. Helena, St. James, St. John the Baptist, St. Mary, St. Martin, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington, West Baton Rouge, and West Feliciana.



Committed to the future of rural communities.

## Business

USDA Rural Development is assisting those affected by Hurricane Katrina by finding shelter for displaced homeowners and renters and granting payment moratoriums for many of our financial programs.

This **Disaster Recovery Guide for People and Communities** contains valuable program information for our current borrowers, as well as those individuals and organizations considering USDA Rural Development funding opportunities. You will find contact information for our offices, as well as other agencies involved in disaster recovery efforts.

In the coming days, weeks, and months, USDA Rural Development personnel will visit communities throughout Louisiana to provide information and assistance. Our staff is dedicated to helping people and communities impacted by Hurricane Katrina regain their quality of life.

**MICHAEL B. TAYLOR**  
State Director  
USDA Rural Development - Louisiana

## Community

### Our programs . . .

**Community Programs** provide loans and grants and loan guarantees for water and environmental projects, as well as community facilities projects. Water and environmental projects include water systems, waste systems, solid waste, and storm drainage facilities. Community facilities projects develop essential community facilities for public use in rural areas and may include hospitals, fire protection, safety, as well as many other community-based initiatives.

In addition, USDA Rural Development offers programs to finance rural America's telecommunications infrastructure. Through the Distance Learning and Telemedicine Program, loans and grants are available to help meet the need in rural areas for quality education and healthcare services through the use of advanced telecommunications technologies. Through the Broadband Loan and Loan Guarantee Program, loans and loan guarantees are available to help provide access to the internet in rural areas.

**Business Programs** help create jobs and stimulate rural economies by providing financial backing for rural businesses. Loans, grants, and loan guarantees are available to any legally-organized entity, including cooperatives, partnerships, profit or non-profit entities, Indian tribes or federally-recognized tribal groups, and municipalities. In addition, a wide range of technical assistance is provided to cooperatives and people interested in forming new cooperatives.

**Single Family Housing Programs** provide homeownership opportunities to low and moderate-income rural Americans through several loan, grant, and loan guarantee programs. The programs also make funding available to individuals to finance vital improvements necessary to make their homes decent, safe, and sanitary.

**Multi-Family Housing Programs** offer Rural Rental Housing Loans to provide affordable multi-family rental housing for very low-, low-, and moderate-income families; the elderly; and persons with disabilities. This is primarily a direct mortgage program, but funds may also be used to buy and improve land and to provide necessary facilities such as water and waste disposal systems. In addition, deep subsidy rental assistance is available to eligible families.

Housing Programs					
Program	Applicant	Uses	Population	Terms/Conditions	Special Hurricane Provisions
Single Family Housing					
Single Family Housing Homeownership Loans	Very low and low income persons or families apply directly to USDA Rural Development	For the purchase, construction, or rehabilitation of homes in rural areas that will be the applicant's permanent residence.	Rural areas and populations of 10,000 or less and under certain conditions towns and cities with population between 10,000 and 25,000  *See Special Hurricane Provisions	No down-payment. Up to 100% of market value or cost, whichever is less. Loan amortized for 33 years. Applicant may be eligible for payment assistance (subsidy) on the loan. Maximum mortgage limit applies (\$127,000 to \$140,000). New manufactured housing on permanent foundation allowable. Loan amortized for 30 years.	For existing borrowers: 1. Six-month moratorium within Federally Declared Disaster Area. 2. Suspension of collection calls. 3. Suspension of Treasury Offset Program. 4. Extended call hour services (1-800-414-1226). 5. Streamlined insurance claim processing. 6. Any loan with a 6-month moratorium will be automatically reamortized when the moratorium expires. 7. Escrow requirements will be waived for loans not in escrow when it is reamortized. 8. Areas within Federally Declared Disaster Area with populations up to 50,000 along with the City of Kenner are now eligible.
Single Family Housing Home Repair Loans and Grants	Very low income persons or families apply directly to USDA Rural Development	Loan funds-To make general repairs and improvements to properties and remove health and safety hazards.  Grant funds-To remove health and safety hazards.	Rural areas and populations of 10,000 or less and under certain conditions towns and cities with population between 10,000 and 25,000 *See Special Hurricane Provisions	Loan amount 20 years at 1% interest.  Grant-Available to those very-low income homeowners 62 years or older who do not qualify for a loan.	1. Six-month moratorium within Federally Declared Disaster Area. 2. Suspension of collection calls. 3. Suspension of Treasury Offset Program. 4. Extended call hour services (1-800-414-1226). 5. Streamlined insurance claim processing. 6. Areas within Federally Declared Disaster Area with populations up to 50,000 along with the City of Kenner are now eligible.
Single Family Housing Guaranteed Homeownership Loans	Persons or families apply to participating lenders	Loans may be made to purchase new or existing homes as applicant's permanent residence.	Rural areas and populations of 10,000 or less and under certain conditions towns and cities with population between 10,000 and 25,000 *See Special Hurricane Provisions	30 year, fixed rate. Interest rate negotiated between lender and borrower. No down-payment. If guarantee fee is not included in loan, up to 100% of market value or cost, whichever is less. If guarantee fee is included in loan, total loan cannot exceed 102% LTV. Guarantee fee is 2.0% on new loans and .5% for refinanced loans. Refinancing allowed for guaranteed loans and direct loans only.	1. 90-day moratorium on initiating new foreclosures. 2. Suspend delinquency reporting to credit bureaus for payments due 9/1/2005. 3. Waive late fees. 4. Areas within Federally Declared Disaster Area with populations up to 50,000 along with the City of Kenner are now eligible.
Multi-Family Housing					
Rental Housing for Families and Elderly Direct Loans	Individuals, profit, and non-profit organizations. Apply to Rural Development	New construction or substantial rehabilitation of rental housing	Rural areas and populations of 20,000 or less  *See Special Hurricane Provisions	Up to 102% of market value (non-profit). Up to 97% (for profit corporations and limited partnerships). Amortized up to 50 years. Interest credit reduces interest rate to 1 percent.	Owner: 1. Deferral of payment up to 180 days. 2. Waiver of late fees up to 180 days. 3. Waiver of late tenant certifications up to 180 days. 4. Waiver of income-ineligible tenants up to 180 days. 5. Waiver of occupancy guidelines regarding elderly status up to 180 days. 6. Tenant leases less than a year up to 180 days. 7. Waiver of tenant eligibility requirements up to 180 days. 8. Areas within Federally Declared Disaster Area with populations up to 50,000 along with the City of Kenner are now eligible. 9. Reamortization. Tenant: 1. Letter of Priority Entitlement allows displaced individuals to be placed on a first-come, first-served waiting list for any vacant unit or the next available unit. 2. Existing tenants receiving rental assistance in units made uninhabitable due to the hurricane may have the rental assistance transferred to another USDA Rural Development unit upon agreed-to arrangements by all parties. 3. Temporary rental assistance is available to eligible displaced families.
Rental Housing for Families and Elderly Loan Guarantees	Individuals, profit, and non-profit organizations. Apply to intermediary	New construction or substantial rehabilitation of rental housing	Rural areas and populations of 20,000 or less  *See Special Hurricane Provisions	Up to 40-year term. Fixed rate interest rate negotiated between lender and borrower. Up to 90% guarantee of the appraised value or total development cost, whichever is less. Application fee is \$2,500. Guarantee fee is 1% at closing. Annual fee is .5% on unpaid principal.	
Farm Labor Housing	Individuals, profit and non-profit organizations. Apply to Rural Development	New construction or substantial rehabilitation of rental housing	Rural areas and populations of 20,000 or less  *See Special Hurricane Provisions	Up to 100% of market value. Up to 33 years at 1% interest.	

Direct loans and grants - Apply to Rural Development

Loan guarantees - Apply to Lender (approved banks, mortgage companies).

## Business Programs

Program	Applicant	Uses	Population	Terms/Conditions	Special Hurricane Provisions
Business and Industry Loan Guarantees	Business applies through eligible lending institutions	Most legal business purposes. No production agriculture and related capital expenditures. Certain other restrictions apply	All areas, except cities of more than 50,000 and their immediately adjacent urban areas	Lender and borrower negotiate terms and interest rate. Rate must be reasonable. Variable rates and customary interest rates must be tied to published base rate and change no more often than quarterly. The guarantee fee is 2% of the guaranteed amount.	<p>The lender is responsible for servicing the entire loan and for taking all servicing actions that a prudent lender would perform in servicing its own portfolio of loans that are not guaranteed. The following servicing authorities can be considered:</p> <ol style="list-style-type: none"> <li>1. Interest rate adjustments</li> <li>2. Release of collateral</li> <li>3. Subordination of lien position</li> <li>4. Transfer and assumption</li> </ol> <p>In case of default by a borrower, the lender must notify USDA Rural Development when a borrower is 30 days past due on a payment or is otherwise in default of the Loan Agreement. If a monetary default exceeds 60 days, the lender will arrange a meeting with USDA Rural Development and the borrower to resolve the problem. Curative actions include, but are not limited to:</p> <ol style="list-style-type: none"> <li>1. Deferment of principal</li> <li>2. An additional unguaranteed temporary loan by the lender</li> <li>3. Reamortization of or rescheduling payments</li> <li>4. Transfer and assumption of the loan</li> <li>5. Reorganization</li> <li>6. Liquidation</li> <li>7. Subsequent loan guarantees</li> <li>8. Changes in interest rates.</li> </ol> <p style="text-align: right;">See RD Instruction 4287-B</p>
Rural Business Opportunity Grants (RBOG)	Public bodies, non-profit corporations, Indian tribes, and cooperatives can apply to the Rural Development State Office in Alexandria, Louisiana	Technical assistance for business development and economic development planning	All areas, except cities of more than 50,000 and their immediately adjacent urban areas	Grant funds to assist with the completion of a proposed project, provided that the project can reasonably be expected to be completed within 2 full years after it has begun.	
Rural Business Enterprise Grants (RBEG)	Public bodies and non-profit corporations can apply to the Rural Development State Office in Alexandria, Louisiana	Buy and develop land. Construct buildings, plants, equipment, access streets, and roads, parking areas, utility and service extensions, rural distance learning networks. Recipients make loans to third parties	All areas, except cities of more than 50,000 and their immediately adjacent urban areas	When grant funds are used for Revolving Loan Fund (RLF), the grant recipient makes loans to businesses from its RLF on terms consistent with grantee's approved lending policy.	
Intermediary Relending Program (IRP) Loans	Public bodies, non-profit corporations, and cooperatives can apply to Rural Development State Office in Alexandria, Louisiana	Community development projects. Establishment or expansion of businesses. Creating or saving rural jobs	Rural areas and places with populations of less than 25,000	The intermediary makes loans to businesses from its Revolving Loan Fund on terms consistent with the intermediary's approved lending policy.	
Rural Economic Development Loans and Grants (REDLG)	Electric and telephone cooperatives can apply to Rural Development State Office in Alexandria, Louisiana	Business startup or expansion projects that create rural jobs. Funds may also be utilized for construction of business assistance facilities by the electric or telephone cooperative	Rural areas and places with populations of 2,500 or less	The intermediary, electric or telephone cooperative makes loans or grants to profit or nonprofit business and public bodies for rural economic development and/or job creation projects.	

Direct loans and grants - Apply to Rural Development

Loan guarantees - Apply to Lender (approved banks, mortgage companies).

## Community Programs

Program	Applicant	Uses	Population	Terms/Conditions	Special Hurricane Provisions
Water and Waste Disposal Direct Loans and Grants	Public entities, Indian tribes, and non-profit corporations apply to Rural Development	Build, repair, improve public water systems and waste collection and treatment systems, and other related costs	Unincorporated rural areas and incorporated rural areas with populations of 10,000 or less	Interest rates are set quarterly based on an index of current market yields for municipal obligations. Repayment term is a maximum of 40 years. Grant funds may be available.	<ol style="list-style-type: none"> <li>Emergency Community Water Assistance Grants (ECWAG) are available for up to \$500,000 to make repairs to water systems.</li> <li>Predevelopment Planning Grants are available for up to \$15,000 to pay engineering, planning and environmental costs in developing an application for funding for water and waste disposal systems.</li> <li>Protective advances are available in the form of non-contractual loans to complete emergency repairs for water and waste disposal systems.</li> <li>Suspend Preauthorized Debit (PAD) payments for up to 6-months.</li> <li>Debt restructuring and reamortization with or without interest rate adjustment.</li> <li>90-day moratorium on debt collection in Louisiana.</li> </ol>
Water and Waste Disposal Loan Guarantees	Eligible lenders obtain guarantee for loans made and serviced by them. Lenders should contact the Rural Development Area Office or State Office	Construct, repair, modify, expand, improve water supply and distribution systems, and waste collection and treatment systems, and other related costs	Unincorporated rural areas and incorporated rural areas with populations of 10,000 or less	Not eligible for grant. Eligible lenders obtain up to a 90% guarantee for loans made and serviced by them. Lenders should contact Rural Development Area or State Offices. Guarantee fee is 1 percent of guaranteed loan amount.	<ol style="list-style-type: none"> <li>Suspend Preauthorized Debit payments for up to 6-months subject to Lender approval.</li> <li>Debt restructuring and reamortization with or without interest rate adjustment subject to Lender approval.</li> </ol>
Technical Assistance and Training and Solid Waste Management Grants	Non-profit organizations and public bodies. Contact Rural Development State Office in Alexandria, Louisiana	Provide technical assistance and training to reduce pollution of water resources and improve management of solid waste facilities, reduction of solid waste in streams	Unincorporated rural areas and incorporated rural areas with populations of 10,000 or less	Projects funded based on selection at National Level. Applications are accepted from October 1st to December 31st of each year.	
Community Facilities Programs Direct Loans and Grants	Public bodies, non-profit corps, and federally recognized Indian Tribes. For Direct loans and grants apply to Rural Development.	Build facilities, purchase equipment, fund operating costs; fire and rescue; telecommunications for schools, libraries, and hospitals.	Unincorporated rural areas and incorporated rural areas with populations of 20,000 or less	<p>Up to 100% of market value.</p> <p>Up to 40 years or life of security.</p>	<ol style="list-style-type: none"> <li>Protective advances are available in the form of non-contractual loans to complete emergency repairs to the facilities.</li> <li>Suspend Preauthorized Debit (PAD) payments for up to 6-months.</li> <li>Debt restructuring and reamortization with or without interest rate adjustment.</li> <li>90-day moratorium on debt collection in Louisiana.</li> </ol>
Community Facilities Programs Guaranteed Loans	Public bodies, non-profit corps, and federally recognized Indian Tribes. For guaranteed loans apply to lender.	Build facilities, purchase equipment, fund operating costs; fire and rescue; telecommunications for schools, libraries, hospitals, and recreation activities with guaranteed loan only	Unincorporated rural areas and incorporated rural areas with populations of 20,000 or less	<p>Up to 100% of market value.</p> <p>Up to 40 years or life of security.</p> <p>Guarantee fee is 1 percent of guaranteed loan amount.</p>	<ol style="list-style-type: none"> <li>Suspend Preauthorized Debit payments for up to 6-months subject to Lender approval.</li> <li>Debt restructuring and reamortization with or without interest rate adjustment subject to Lender approval.</li> </ol>

Direct loans and grants - Apply to Rural Development

Loan guarantees - Apply to Lender (approved banks, mortgage companies).



# Summary of Program Purposes

## Housing

## Business

## Community

	Land and Building	Machinery and Equipment	Working Capital	Infrastructure	Training and/or Technical Assistance
<b>Housing Programs</b>					
Section 502 - Direct Loan	★				
Section 502 - Guaranteed Loan	★				
Section 504 - Loan/Grant	★				
Self-Help Technical Assistance Grant					★
Rural Rental Housing - Guaranteed Loan	★			★	
Rural Rental Housing - Direct Loan	★			★	
Farm Labor Housing - Loan/Grant	★			★	
Housing Preservation Grant	★		★	★	★
<b>Business Programs</b>					
Business and Industry - Guaranteed Loan	★	★	★	★	
Rural Business Enterprise Grant	★	★	★	★	★
Intermediary Relending Loan	★	★	★	★	
Rural Business Opportunity Grant					★
Rural Economic Development Loan and Grant	★	★	★	★	★
<b>Community Programs</b>					
Water and Sewer - Loan/Grant	★	★	★	★	
Water and Sewer - Guaranteed Loan	★	★	★	★	
Solid Waste Management Grant					★
Distance Learning and Telecommunications Loan/Grant		★		★	
Technical Assistance and Training Grant					★
Community Facilities - Direct Loan/Grant	★	★	★		
Community Facilities - Guaranteed Loan	★	★	★		



# Emergency Contact Information

## **FEMA**

1-800-621-3362  
1-800-462-7585 (Hearing Impaired)  
[www.fema.gov](http://www.fema.gov)

## **Food Stamps Hotline**

1-800-256-1548  
[www.fns.usda.gov/fsp/outreach/states/louisiana.htm](http://www.fns.usda.gov/fsp/outreach/states/louisiana.htm)

## **Louisiana State Police**

1-800-469-4828

## **National Voluntary Organizations Active in Disaster (NVOAD)**

<http://www.nvoad.org/>

## **Office of Emergency Preparedness (OEP)**

225-925-7500  
[www.ohsep.louisiana.gov](http://www.ohsep.louisiana.gov)

## **Road Closure Hotline**

1-866-438-4636  
[www.lsp.org/roadandincident.nsf/\\$ViewAll?OpenView](http://www.lsp.org/roadandincident.nsf/$ViewAll?OpenView)

## **Road Conditions**

1-800-469-4828

## **Road Emergencies**

1-800-469-4828 or \*LSP (any cell phone)

## **Red Cross**

1-800-438-4636  
1-800-HELPNOW (1-800-435-7669)  
225-293-1889  
225-295-0104  
Spanish 1-800-257-7575

## **Salvation Army**

1-800-725-2769 (1-800-SAL-ARMY)  
[www.salvationarmy.org](http://www.salvationarmy.org)

## **Special Needs Shelter Information**

Alexandria	800-841-5778
Baton Rouge	800-349-1372
Lafayette	800-901-3210
Slidell/Hammond	866-280-7724
Houma/Thibodaux	800-228-9409
Shreveport	800-841-5776
Monroe	866-280-7287

**Monroe Area Office - Area I**  
2410 Old Sterlington Road, Suite C  
Monroe, Louisiana 71203  
Telephone: (318) 343-4467

**Parishes Served:**  
Caldwell, Catahoula, Claiborne, Concordia, East Carroll, Franklin,  
Jackson, LaSalle, Lincoln, Madison, Morehouse, Ouachita, Richland,  
Tensas, Union, and West Carroll

**Natchitoches Area Office - Area II**  
6949 Louisiana Highway 1 Bypass, Suite 103  
Natchitoches, Louisiana 71457  
Telephone: (318) 352-7100

**Parishes Served:**  
Avoyelles, Bienville, Bossier, Caddo, DeSoto, Grant, Natchitoches,  
Rapides, Red River, Sabine, Vernon, Webster, and Winn

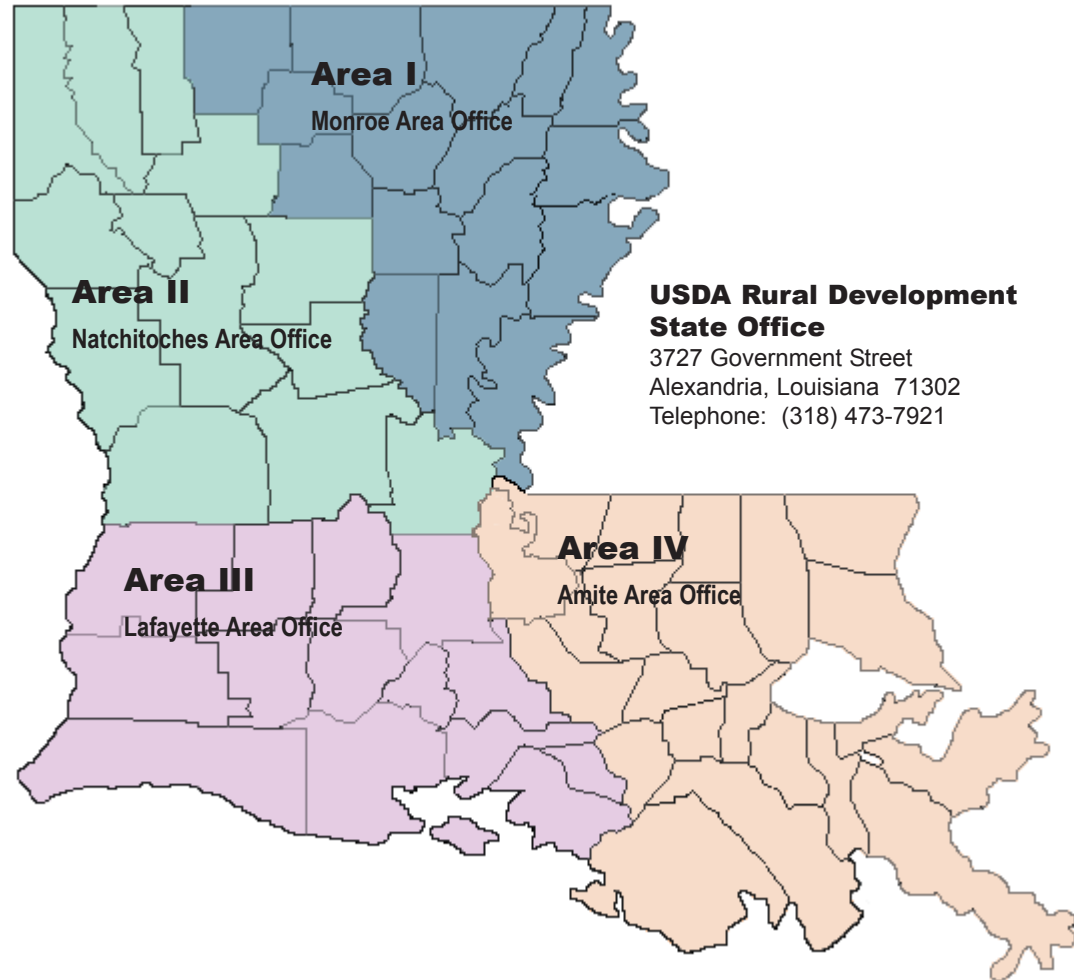
**Lafayette Area Office - Area III**  
Whitney National Bank Building  
905 Jefferson Street, Suite 320  
Lafayette, Louisiana 70501-7913  
Telephone: (337) 262-6601

**Parishes Served:**  
Acadia, Allen, Assumption (for Community Programs and Multi-Family  
Housing Programs), Beauregard, Calcasieu, Cameron, Evangeline,  
Iberia, Jefferson Davis, Lafayette,  
St. Landry, St. Martin, St. Mary, and Vermilion

**Amite Area Office - Area IV**  
805 West Oak Street, Room 3  
Amite, Louisiana 70422  
Telephone: (985) 748-8751

**Parishes Served:**  
Ascension, Assumption (for Single Family Housing Programs), East  
Baton Rouge, East Feliciana, Jefferson, Iberville, Lafourche, Livingston,  
Orleans, Plaquemines, Pointe Coupee, St. Bernard, St. Charles, St.  
Helena, St. James,  
St. John, St. Tammany, Tangipahoa, Terrebonne, Washington, West  
Baton Rouge, and West Feliciana

# USDA Rural Development in Louisiana



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September 20, 2005